

PROPERTY TAX CREDIT FUNDING

Prior Law

Section 425.1(1) provides an annual appropriation for reimbursements to counties for homestead tax credits allowed to qualified homeowners.

Section 426.1 provides a limited annual appropriation of \$39,100,000 for reimbursements to counties for agricultural land tax credits allowed for eligible land. The first \$10,000,000 is to be transferred to the family farm tax credit fund for reimbursements to counties for credits allowed to eligible persons. (Section 425A.1).

Section 426A.1A provides an annual appropriation for reimbursements to counties for military service tax credits allowed to qualified military veterans.

Section 425.39 provides an annual appropriation for reimbursements to counties for tax credits allowed to elderly and disabled homeowners and for reimbursements to elderly and disabled renters.

New Provisions

The appropriations made to these funds for the 2007-2008 fiscal year are:

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| • Homestead credit | \$99,254,781 |
| • Ag. land & family farm credit | \$34,610,183 |
| • Military exemption | \$2,800,000 |
| • Elderly & disabled credit/reimbursement | \$23,204,000 |

If the appropriation for the homestead credit, military exemption, or elderly/disabled credit is insufficient to fully fund the program, the political subdivision is required to extend to the taxpayer only that portion of the credit or exemption estimated by the department to be funded by the appropriation. The department has estimated that the homestead credit will be funded to the extent of xx% and the elderly/disabled tax credit/rent reimbursement funded to the extent of 100%.

Sections Amended

Section 5 of Senate File 601 lists the amount appropriated for each program.

Effective Date

May 29, 2007.